

CONFORMED AGENDA

REGULAR MEETING

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA

TUESDAY, OCTOBER 13, 2015
2:00 P.M.

MISSION STATEMENT

It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health and quality of life
 - Provide excellent and responsive customer services through dedicated and valued staff
 - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs
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1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE** – *The meeting was called to order at 2:05 PM. Directors present: Krizl, Hoelscher, Capraun, Hanschild, Uso. Staff present: General Manager Wendell Wall, Engineering Consultant George Sanders, Office Manager Victoria Knoll. Legal Counsel: Barbara Brenner of Churchwell White.*

2. **ADOPTION OF AGENDA**

- A. Board Action to adopt agenda.

Motion by Director Uso to amend and adopt the agenda so that Item #20 Consideration of Electing New Board Treasurer will be heard after Item #9 and correcting a typographical mistake by removing the last sentence under Item #14.A and adding it as the last sentence under Item #16.A; second by Director Hoelscher.

Public Comment: None

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

3. **PUBLIC FORUM** – Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director followed by the Board member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken.

No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive

conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

Bill Johnson commented regarding a likely pipe leak along Hwy 193 and Sliger Mine Road and provided photos of water coming out of the side of a hill. He offered to accompany staff to the spot and point out the area.

Steven Proe prefaced his remarks by noting that the pipe in question was replaced many years ago and was severely rusted at that time, but the entire pipe was not replaced. Mr. Proe provided a "Cure and Correct" document to the Board and an ADA complaint regarding the location of the September 14, 2015 Prop 218 Hearing.

Michele Turney provided a "Cure and Correct" letter from the group "Divide Citizens for Justice."

4. APPROVAL OF MINUTES

- A. Regular Meeting of September 8, 2015; Special Meeting of September 14, 2015.
- B. Board Action to approve and file minutes.

Motion by Director Uso to approve the minutes; second by Director Hanschild.

Public Comment: None

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

5. FINANCIAL REPORTS:

- A. Accounts Payable for October 2015
- B. Cash Disbursements for September 2015
- C. Revenue and Expense Summary for July and August 2015
- D. Cash and Investment Reports for July and August 2015
- E. ALT Zone and CDS Summary for the two months ended August 2015
- F. Board Action to accept and adopt financial reports

Motion by Director Uso to receive and file the financial reports; second by Director Hoelscher.

Public Comment: Steve Proe commented regarding irrigation season billing. Dennis Smith commented concerning the Churchwell White invoice.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

- 6. PRESIDENT'S REPORT** – *Director Krizl noted that on Friday, October 16, Mountain Counties will have an event that three Board members have signed up to attend.*

7. **BOARD REPORTS** – *Director Uso thanked staff for the new Board packet format. Director Hanschild asked the General Manager how the recent salvage auction came out. GM Wall reported that six vehicles were auctioned at \$254 each.*

8. **GENERAL MANAGER'S REPORT**

At the request of General Manager Wall, Engineering Consultant George Sanders, who was substituting for Operations Manager Darrell Creeks, reported on the District's water use for the previous month. Mr. Sanders noted that Mr. Creeks was not available because he was accompanying a representative of the State Water Board for its annual inspection of the District's system. Mr. Sanders reported that the Auburn Lake Trails Water Treatment Plant produced 25.289 million gallons of potable water for the month of September. This is a decrease in flow of 3.520 million gallons from the month of August. The Walton Lake Water Treatment Plant produced 27.202 million gallons of potable water for the month of September. This is a decrease of 3.402 million gallons from the month of August.

He commended the community for reducing water usage by 17% from 2013 for the month of September. Early significant rains in September 2013, together with a full irrigation season that year would have reduced demands on potable water making it difficult to achieve the state mandated 31% reduction. More will be said in a subsequent agenda item.

He continued, noting that the District conducted the required water quality monitoring at the treatment plants and in the distribution system and submitted the required water quality monitoring reports to the State (SWRCB). Under contract with the District, Becky Siren prepared the required reports and reviewed key elements of the same with the General Manager prior to submittal.

The Treatment Plant reports showed compliance with all drinking water standards, with the exception of the Auburn Lake Trails Water Treatment Plant which is currently under a compliance order from SWRCB for failure to meet the requirements of the Surface Water Treatment Rule.

The distribution system monitoring results showed all samples absent/negative of any bacteriological contamination and adequate levels of disinfection through the system.

Average daily flows in the Community Disposal System were 16,663 gallons per day. This value is far below the limit of 71,800 gallons per day as identified in the Waste Discharge Requirements.

The District is currently up to date in the monitoring of waste water systems in the zone. It is anticipated the District will stay on schedule as a result of dedicating permanent staff to this effort.

Relating to Stumpy Meadows Reservoir, the latest measurements collected at Stumpy Meadows Reservoir on October 2, 2015, showed a reservoir elevation of 4,218 feet 8 inches, representing storage of 8,234 acre feet, or 41% of capacity. This represents a decrease in storage of approximately 308 acre feet over the prior month.

Current releases from Stumpy on this date were 5 CFS. Flow into Stumpy on this date was recorded at 5 CFS. Mr. Sanders provided a visual aid showing a sample of water collected at Stumpy after the last storm event.

Office Manager Victoria Knoll reported on the CABY grant. Staff has compiled the data for the

first quarter billing of time accrued to date under the category of "Direct Administration Costs." The invoice will be submitted prior to October 15, 2015.

General Manager Wendell Wall continued his report, providing a status update on the District's new website. He said that public access to information relating to the District remains on the current website. Portions of that information have undergone transfer to the new site but are not ready for public viewing. Staff continues to work with the contractor to load data onto several pages of the new site. The contractor was to create new email boxes for staff and Directors, but the GM is not satisfied with that system and is shopping for better options. Staff anticipates launch of the new website in mid to late October.

He noted that the District anticipates another 218 process which will address the cost of providing service to customers of both treated and untreated water. Under this plan, it will be necessary for the District to contract with an outside consulting firm for the preparation of a rate study to accurately identify the costs associated with providing water service to District customers.

Office Manager Knoll reported that the auditor has completed field work for the FY 2014-2015 Audit. The FY 2014-2015 Draft Audit Report will be ready for Board review prior to the November 2015 Board Meeting. Once the report is completed and approved, the District's FY 2014-2015 financials will be finalized.

GM Wall reported that staff received a request from the office of Congressman McClintock to reserve space, in the GDPUD Board Room, for meetings between a representative from his office and members of the public. The tentative schedule for the meetings will be the third Thursday of every month, beginning on October 15.

On October 19 and 20, ADT Security Services will be installing security systems at the District administration office, the garage, and the ALT water treatment plant. Based on the importance of the safety and security of these facilities, staff is moving forward with these installations.

The District has received the funding application from the SWRCB for a loan in the amount of \$10,000,000. Staff is currently in the process of completing the tax questionnaire, as required under the SWRCB application process. In addition, staff has submitted a draft Pledged Revenue and Funds Resolution, another requirement of the loan, for SWRCB review and approval. Once this is approved by the SWRCB, the subject resolution will be presented to this Board for approval. When these activities are complete, a Reimbursement Resolution will be drafted and submitted to this Board for approval.

9. FINANCE COMMITTEE REPORT

The Finance Committee (the "Committee") met on October 5, 2015. The following individuals were present: Committee members Dennis Goodenow, Ray Kringel, Donna Bruss, and Rick Gillespie; staff members General Manager Wendell Wall, and Office Manager Victoria Knoll; Committee liaison Director Maria Capraun. Committee member Dane Wadle was absent.

The first action of the Committee was to select Dennis Goodenow as Vice Chairman and Donna Bruss as Secretary of the Committee.

The Finance Committee reviewed accounts 08, 10, 12, 19, 24, 30, and 37 and discussed whether they are "Designated" or "Restricted" and are driven by an Ordinance, a Resolution, or contract

with an outside entity. The Committee requested that staff provide the supporting documentation at the next Committee meeting. The Committee also reviewed Zone Reserve accounts 40, 41, and 42, and will be investigating the accounts as to the service levels and internal cost accounting pertaining to staff and consultant work.

The Committee reviewed a draft "Accounting and Management Policy and Procedures Manual" and made recommendations in which changes were made. The draft will be available for the Board of Directors' review by October 27, 2015. Staff is planning to request the approval and adoption of the Manual at the November 10, 2015 regular Board meeting. The Committee agreed that the Capital Expense floor should be set at \$3,000 or 5 years. Computers will be categorized as office equipment and will not fall under capital assets.

The Finance Committee selected members to serve on the Audit Committee to review the FY 2014-2015 Audit. Those members will be presented for Board approval in a subsequent agenda item.

Motion by Director Uso to receive and file the Finance Committee report; second by Director Hoelscher.

Public Comment: Ray Kringel requested that the report on the production of water compared with 2013 (in the GM Report) be provided in table rather than paragraph format to make it easier for the Finance Committee to use.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

10. PROP 218 OFFICIAL PROTEST VOTE COUNT

A. Discussion – On September 14, 2015 the GDPUD Board of Directors held a public hearing to consider the possible implementation of a Supplemental Surcharge on all treated water accounts to pay for construction of the ALT Treatment Plant Project. At the close of the hearing staff made a cursory count of the ballots. On September 17, 2015 staff validated the protest ballots. The official count is 769 protests, which represents 22% of the treated water customer base.

B. Receive and File.

Motion by Director Uso to receive and file the report; second by Director Hoelscher.

Public Comment: Johanna Friesen spoke regarding the voting procedure. Steven Proe spoke regarding the validation process. Ray Kringel spoke regarding the structure of the surcharge.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

11. COST OF MAILING OLD STYLE BILLS COMPARED TO MAILING NEW STYLE BILLS

- A. Discussion** – At the September 8, 2015 Board Meeting, Director Capraun requested a report comparing the cost of mailing the old style postcard bills with the new envelope style mailer. Staff will present a cost-benefit analysis with graphics showing a substantial savings to the District after implementing the new style of bill.

Office Manager Knoll presented a report comparing costs of mailing old style bills with the costs of mailing the new style bill.

- B. Receive and File.**

12. BOARD MEMBERS' ELIGIBILITY FOR UNEMPLOYMENT INSURANCE BENEFITS

- A. Discussion** – At the September 8, 2015 Board Meeting, Director Krizl requested that staff report back to either confirm or disconfirm an assertion that the District is funding unemployment insurance for some Board members. Staff will present the results of its investigation.

Ms. Knoll presented the following report: Staff investigated and confirmed that 1) elected officials in California are exempt from state unemployment, and 2) four GDPUD Directors had previously been set up in the payroll system as non-exempt. Upon confirming that Board members are exempt, staff instructed ADP to change the filing status of all Board members to "exempt," and to amend filings for the first two quarters of 2015. All five Board members are now correctly filed as UI exempt.

- B. Receive and File.**

13. THE DISTRICT'S PROVISION OF WATER FOR LIVESTOCK DURING THE DROUGHT

- A. Discussion** – At the September 8, 2015 Board Meeting, Director Uso requested that this item be put on a future agenda. Staff will present a report regarding water for livestock during drought conditions.

Mr. Sanders presented the following report: The District is currently under a Stage 3 Drought Declaration, as identified within the Urban Water Management Plan of 2010. The Urban Water Management Plan of 2010 together with the Drought Plan of 2007 place restrictions on the drafting of water from fire hydrants. The Plans allow for the drafting of water from hydrants for the watering of livestock. Staff will continue to work with the community to provide service under those specialized needs as identified within the Plans.

- B. Receive and File.**

14. WATER CONSERVATION LETTER

- A. Discussion** – The District was unable to meet the State mandated water conservation reduction for the month of September and anticipates receiving a water conservation warning letter from the State Water Board.

Mr. Sanders reported that the District was unable to meet the State mandated water conservation reduction for the month of September. The mandated amount for the District is a 32% reduction from 2013 usage. The reduction for the month of September was 17%, which falls short of the required water conservation target by nearly half. Staff anticipates receiving a warning letter from the State Water Board. There is a need for the District to stay proactive with measures supporting the state conservation mandate in an effort to offset potential formal enforcement by the state.

B. Receive and File.

15. WATER THEFT AND TAMPERING ORDINANCE

- A. Discussion** – To date, the District does not have an ordinance or policy that regulates the theft of water or tampering with District property. In response to the drought, and recent increases in water theft and tampering with District property, the District proposes Ordinance 2015-02 to penalize any theft of water and damage to District facilities.

Copies of the Ordinance were provided to those present in the audience. The Ordinance will be posted at the District Office and a summary will be published in the Georgetown Gazette. The Ordinance will be presented at the November 10, 2015 Board meeting for discussion and possible vote for adoption of the Ordinance. If adopted, the Ordinance Summary and roster of votes for and against will be published within 15 days with the full Ordinance posted at the District office. The Ordinance will be effective 30 days after adoption.

- B. Possible Board Action** – Introduction and first reading of Ordinance 2015-02.

Motion by Director Uso to introduce for first reading Ordinance 2015-02 and waive reading the full ordinance, reading a summary instead; second by Director Hoelscher.

Public Comment: Steven Proe asked about opportunities for the public to comment on the ordinance. There was some discussion, and it was agreed that written comments or questions may be submitted to the GDPUD General Manager for presentation to the Board of Directors at the November 10 meeting. Ray Kringle asked if the Ordinance allows fines to be imposed on non-customers. It does.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

GM Wall read a summary of the Ordinance.

16. EL DORADO COUNTY WATER AGENCY COST SHARING OPPORTUNITIES

- A. Discussion** – The District has received notice from the El Dorado County Water Agency that funds remain on reserve to support specific needs of local water purveyors. These funds normally require a 50% match and are dedicated to providing financial assistance to support studies and the preparation of other

technical reports. Staff has identified a number of projects as possible candidates for funding.

- B. Possible Board Action** – Direct staff to make application with the El Dorado County Water Agency to assist in funding District needs relating to a Sanitary Survey, updates to GIS, ALT Community Disposal System, ALT Water Plant Pre-Construction Surveys, Cost of Service Study, and Stumpy Review and Reporting.

Director Uso moved staff recommendation; second by Director Hoelscher.

Public Comment: Johanna Friesen asked if this is to apply for funds with a 50% match. Director Capraun confirmed that it is.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

17. ALT TREATMENT UPDATE

- A. Discussion** – Recap and extension of prior month report on progress towards plant replacement.

Mr. Sanders reported that US Fish and Wildlife has given conditional approval which will allow the District to move forward with the Project. Staff is currently working with District Counsel and Foothill Associates in a review of the environmental documents. The purpose of this review is to assure completeness of the process, as materials have been compiled from 2010 to present. Per direction from the Water Board, this review is required as a result of recent changes in Water Board policy, which require an updated review and possible noticing of all environmental documents that are two years or older. Staff is getting positive feedback from Bruce Berger of the Water Board regarding review of the plans. Mr. Sanders will present a PG&E contract to the Board for discussion and possible approval at the November 10 Board meeting. Psomas has prepared bid documents and money remains in that contract to go out to bid. At the November Board meeting, Mr. Sanders will provide a project schedule for information purposes.

- B. Possible Board Action – Receive and file.**

18. CONTRACT WITH FOOTHILL ASSOCIATES – ENVIRONMENTAL DOCUMENTS – AUBURN LAKE TRAILS WATER TREATMENT PLANT

- A. Discussion** – An addendum to the CEQA document will be required to the Auburn Lake Trails Treatment Plant Project. Per the Water Board, as of January 1, 2015, all CEQA documents must be no older than two years. The CEQA document for this project is dated 2010. Foothill Associates, under contract with Psomas, prepared the original Mitigated Negative Declaration in 2010 and the revisions to the Site Plan dated 2014; the firm has submitted a proposal to GDPUD to assist in the preparation of the required addendum.

- B. Board Action** – Authorize the General Manager to enter into contract with Foothill Associates, in an amount not to exceed \$20,367 for the preparation of an addendum to the CEQA document for the Auburn Lake Trails Water Treatment Plant Project. All contract language to be subject to review and approval of District Counsel prior to final execution.

Director Uso moved staff recommendation; second by Director Hoelscher.

Public Comment: None.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

19. SELECTION OF AUDIT COMMITTEE MEMBERS

- A. Discussion** – The District’s Finance Committee historically has selected the members of the Audit Committee. At its October 5, 2015 meeting, the Finance Committee selected Donna Bruss, Dennis Goodenow, Maria Capraun, and Victoria Knoll to serve on the Audit Committee to review the FY 2014-2015 Audit.

Director Capraun clarified that historically the Finance Committee selected two members of its committee to serve on the Audit Committee and that the past Board Treasurer, the current Board Treasurer, the Office Manager, and General Manager were what the Board chose to serve on the Audit Committee.

- B. Possible Board Action** – Approve the Finance Committee’s selection.

Motion by Director Uso to appoint Donna Bruss, Dennis Goodenow, Maria Capraun, Lon Uso, Victoria Knoll, and Wendell Wall to serve on the Audit Committee; second by Director Hoelscher.

Public Comment: Johanna Friesen asked for clarification regarding the appointment of staff members to the Audit Committee.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Hanschild, Uso.

20. CONSIDERATION OF ELECTING NEW BOARD TREASURER

- A. Discussion** – President Krizl requests the Board consider electing a new Board Treasurer.

Director Krizl stated that the Board has had the same Treasurer for almost three years and now has a new Finance Committee with a collective new face and it is timely to bring in a new face with new ideas to represent the Board. Director Uso stated that he has little interest in making this change at this time but is looking for assurances that he would be able to continue attending Finance Committee meetings. Director Hoelscher stated that he would not stop attending. Director Capraun asked Director Krizl if the reason for asking for this change is so that Director Uso can attend the meetings. Director Krizl reiterated that it is time to bring

in a new face. Director Uso stated that he would be willing to serve if someone would nominate him.

- B. Board Action** – Board will nominate and elect a new treasurer or leave existing treasurer in office.

Motion by Director Hanschild to replace Director Capraun with Director Uso as Treasurer of the Board; second by Director Krizl.

Public Comment: *Ray Kringle and several other audience members spoke against the motion; Rick Gillespie suggested that the Board designate members to attend the Committee on a rotating basis; Dennis Goodenow spoke in favor of the motion.*

Vote: Motion carries

Ayes: Krizl, Hanschild, Uso

Noes: Hoelscher

Abstain: Capraun

- 21. BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF** – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.

There were no requests by Board members.

22. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9: (two potential cases).
- B. CONFERENCE WITH LEGAL COUNSEL – Board to consider the appointment, employment, evaluation of performance, discipline or dismissal of a public employee pursuant to Government Code Section 54 957 (b)(1).

- 23. ADJOURN TO OPEN SESSION** – Announcement of action taken in closed session.

The Board returned to open session at 6:05 PM and reported that no action was taken in closed session.

- 24. NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting November 10, 2015 at 2:00 PM at the Georgetown Divide Public Utility District office.

Meeting adjourned at 6:05 PM.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Wendell Wall by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on October 7, 2015.

Signed Wendell B. Wall
Wendell B. Wall, General Manager

Date 11-12-2015